ANNUAL REPORT

OF THE

FUTURE CORPORATION

1990-1991

92-07846/

Minister of Finance

SASKATCHEWAN

Legislative Building
Regina, Saskatchewan S4S 0B3
(306) 787-6060

Her Honour, Sylvia Fedoruk, OC SOM
Lieutenant Governor of the
Province of Saskatchewan
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4P 3V7

Dear Madam:

Letter of Transmittal

I have the honour to submit herewith the Annual Report of the Future Corporation for the year ended March 31, 1991. Financial Statements for this reporting period are included.

I have the honour to be, Madam,
Your Obedient Servant,

Ed Tchorzewski

Ed Tchorzewski
Minister Responsible for the Future Corporation

Recycled Paper

Board of Directors

Hon. Lorne H. Hepworth

General Manager & Chief Executive Officer

Les Bowd

REPORT OF THE GENERAL MANAGER AND CHIEF EXECUTIVE OFFICER

The Future Corporation was established in October of 1988 with a goal of stimulating the innovative nature of Saskatchewan's people. Through the theme of "Saskatchewan in the World", the Corporation was mandated to focus on:

. youth as a resource for the future;
. new technology and its place in Saskatchewan in the 1990's;
. the future of the communities in Saskatchewan, both large and small; and
. the contribution the private sector will be able to make to Saskatchewan's future.

Mission

In order to discharge its mandate effectively the mission statement of the Corporation was:

> **"To support communities and groups across Saskatchewan in developing projects and activities which will enable them to manage change and plan for the future, with a focus in 1990. Areas of interest include Education, Environment, Resources, Agriculture, Technology, Health, Arts and Culture."**

Programs

The mission was fulfilled by supporting community and non-profit organization participation through three grant programs. The Innovative and Strategic Initiatives Grant Programs focused on projects which addressed future challenges and opportunities with respect to the environment, agriculture, technology, education, resources, health and economic or social development. An Arts and Culture Grant Program provided encouragement to creativity and future orientation for Saskatchewan artists and cultural groups. 110 projects were completed in 1990, with total support of $5.14 million during the life of the Corporation.

Projects undertaken were across a broad range of endeavours.

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Highlights included:

. the innovative use of computer technology

  - in education, with "School of the Future" concepts being applied in Viscount, Swift Current and Kindersley,

  - in hospital record keeping at Balcarres,

  - in municipal administration in the R.M. of Edenwold;

. support of conferences related to the environment, food processing, international trade, construction technology, and tourism development which attracted, in total, over 3000 participants;

. feasibility or implementation studies related to innovative technology for grain handling, (Southern Rails Cooperative), wind generated electricity (Milestone), rehabilitation, (Saskatchewan Abilities Council) and agricultural implements (PIMA);

. the development of community theatre (Rosthern/Saskatoon), a heritage information network (Saskatchewan Museums Association), children's festival (Regina) and native literature (Lakeland Library Region) were amongst artistic endeavours supported.

Over 150 communities in all regions of the province were positively impacted by projects. Through private sector, community and organization support the total value of activities stimulated by Future Corporation support exceeded $25 million.

Future Caravan

With displays related to Saskatchewan's scientific and technological achievements in the fields of bio-technology, energy, communications and agriculture, the Future Caravan visited 125 communities in every region of the province. At the conclusion of its tour October 31, 1990 the exhibits had attracted over 150,000 visitors.

General public, children, school administrators and the media acclaimed the Caravan as one of the most enlightening educational experiences that had ever been brought to their communities. High calibre exhibits were provided by our six corporate sponsors; namely, **Sasktel, Northern Telecom, SaskPower, NewGrade Energy, AECL, and AgScience**. Communities such as Buffalo Narrows, Maidstone, Carnduff, Pontiex and LaRonge were exposed to concepts and technology usually restricted to major urban centres.

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Education Programs

One of the Corporation's major goals was to focus on the current and future education of our province's young people.

In addition to approximately 20% of the program projects being directed towards education, the Corporation supported specific youth-oriented conferences and the development of future oriented resource materials for educators.

Notable achievements included:

- a symposium on the future for over 2000 high school students in Regina,
- a conference exploring Canada's future role in space exploration which attracted 500 outstanding students and their teachers from throughout the province,
- a space science competition which resulted in two Saskatchewan high school experiments being flown on a NASA/CSA flight and,
- the publication and distribution to all Saskatchewan high schools of "Imaging the Future", a curriculum guide to assist studies related to the future in areas such as the environment, lifestyles, and international exchange.

Wind-up of the Corporation

As part of a government-wide effort to restrain expenditures, Cabinet requested that the Corporation make no new project commitments in 1990/91 and attempt to wind-down its operations by December 31, 1990. While the Corporation was expected to fulfill its original mandate, this direction resulted in $1.4 million of the funds originally committed to the organization not being expended.

Through judicious expenditure control, very high levels of staff commitment-particularly with respect to project management, and excellent cooperation from our project proponents and joint sponsors, the Corporation was able to successfully complete its activities, wind-down its operations by December 31, 1990 and return almost $1/2 million additional operating surplus to the Consolidated Fund of the government.

The Corporation officially ceased operations on March 31, 1991.

HORACHEK
CANNAM
JOA
CHARTERED ACCOUNTANTS

THE FUTURE CORPORATION

Auditors' Report

Financial Statements - March 31, 1991

HORACHEK
CANNAM
JOA
CHARTERED ACCOUNTANTS

Byron Horachek, CA
Les Cannam, FCA
Lionel R. Joa, CA
Kelly Bernakevitch, CA

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AUDITORS' REPORT

To the Members of the Legislative Assembly
Province of Saskatchewan

We have audited the balance sheet of **The Future Corporation** as at March 31, 1991 and the statements of revenue and expenditures and operating surplus and changes in cash position for the year then ended. These financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 1991 and the results of its operations and the changes in its cash position for the year then ended in accordance with generally accepted accounting principles.

Horachek Cannam Joa

Saskatoon, Canada
May 24, 1991

Chartered Accountants

THE FUTURE CORPORATION

Balance Sheet

March 31, 1991
with comparative figures for 1990

	1991	1990
Assets		
Current assets		
Due from Consolidated Fund of Saskatchewan	$ -	544,522
Employee travel advances	-	16,000
Prepaid expenses	-	60,320
Accounts receivable	-	7,685
Due from Saskatchewan Science Centre Inc. (note 2)	-	500,000
Accrued interest receivable	-	157,382
	-	1,285,909
Fixed assets (note 3)	-	217,238
	$ -	1,503,147
Liabilities and Equity		
Current liabilities		
Accounts payable and accruals	$ -	127,711
Payable to related parties	-	28,169
Payable to employees	-	31,253
Total current liabilities	-	187,133
Equity		
Operating surplus, per accompanying statement	-	1,098,776
Equity in leasehold improvements and equipment	-	217,238
Total equity	-	1,316,014
	$ -	1,503,147

See accompanying notes.

ON BEHALF OF THE BOARD:

_____ **Director**

THE FUTURE CORPORATION

Statement of Revenue and Expenditures and Operating Surplus

Year ended March 31, 1991
with comparative figures for 1990

	1991	1990
Revenue		
Grant from Culture, Multiculturalism and Recreation	$ 2,000,000	-
Grant from Provincial Secretary	-	4,200,000
Interest	99,937	157,382
Disposal of fixed assets	31,197	-
Donations	200	300,000
Rent	7,020	-
Sundry	243	-
	2,138,597	4,657,382
Expenditures		
Leasehold improvements and equipment expenditures	-	24,686
Program expenditures (schedule)	2,331,705	3,237,735
Overhead expenditures:		
Advertising	5,113	143,589
Central vehicle agency charges	45,148	76,255
Computer rent	50,000	50,000
Computer supplies	(1,838)	8,407
Contractual services	-	15,124
Couriers and express	913	2,751
Insurance	524	505
Interest	1,021	-
Miscellaneous	-	200
Office supplies and stationery	2,878	45,480
Postage	150	4,619
Professional fees	8,760	4,343
Rent - building	45,907	70,276
- aircraft	1,920	10,898
- other	3,288	5,899
Relocation of employees	-	15,514
Subscriptions	-	1,071
Telephone and telex	24,036	46,995
Travel	15,612	58,247
Wages and benefits	240,004	545,630
Total overhead expenditures	443,436	1,105,803
Total expenditures	2,775,141	4,368,224
Excess (deficiency) of revenue over expenditures for the year before extraordinary item	(636,544)	289,158
Extraordinary item - transfer to Consolidated Fund of Saskatchewan on wind-up of corporation (note 4)	(462,232)	-
Excess (deficiency) of revenue over expenditures for the year	(1,098,776)	289,158
Operating surplus at beginning of the year	1,098,776	809,618
Operating surplus at end of the year	$ -	1,098,776

See accompanying notes.

THE FUTURE CORPORATION

Statement of Changes in Cash Position

Year ended March 31, 1991
with comparative figures for 1990

	1991	1990
Operating activities		
Excess (deficiency) of revenue over expenditures for the year before extraordinary item	$ (636,544)	289,158
Changes in non-cash working capital balances:		
Employee travel advances	16,000	(14,500)
Prepaid expenses	60,320	(58,035)
Accounts receivable	7,685	(7,685)
Due from Saskatchewan Science Centre Inc.	500,000	(500,000)
Accrued interest receivable	157,382	(157,382)
Accounts payable	(127,711)	88,283
Payable to related parties	(28,169)	(203,611)
Payable to employees	(31,253)	23,549
	554,254	(829,381)
Cash used in operating activities before extraordinary item	(82,290)	(540,223)
Extraordinary item		
Transfer to Consolidated Fund of Saskatchewan upon wind-up of Corporation (note 4)	(462,232)	-
Net cash decrease during the year	(544,522)	(540,223)
Due from Consolidated Fund of Saskatchewan at beginning of year	544,522	1,084,745
Due from Consolidated Fund of Saskatchewan at end of year	$ -	544,522

See accompanying notes.

Notes to Financial Statements

March 31, 1991

1. *Significant Accounting Policies*

a) Basis of accounting

These financial statements have been prepared on the full accrual basis reflecting all assets, liabilities, revenue and expenditures of the Corporation.

b) Revenue recognition

Donation revenue is recognized when it is received by the Corporation. Grant revenue is recognized in the year in which the grant was approved. Interest revenue is recognized as earned.

c) Leasehold improvements and equipment

In common with many non-profit organizations, leasehold improvements and equipment are charged to expense in the year of acquisition and then recorded on the balance sheet as both an asset and as equity in leasehold improvements and equipment. When fixed assets are disposed of, any proceeds are recognized as revenue and the cost of the assets is removed from the asset and equity accounts. Consistent with the above, depreciation is not provided for in the accounts.

d) Donated goods and services

The Corporation has adopted the policy of not recording the fair market value of goods and services provided without charge to the Corporation by various government departments and crown corporations. The following is a summary of such goods and services donated to the Corporation during the fiscal period:

i) The Corporation has not been charged with certain occupancy and administrative costs provided by the Department of Provincial Secretary and the Department of Finance;

ii) Employees have been seconded to the Corporation by various government departments and Crown corporations of the Province of Saskatchewan. The costs related to such seconded employees are handled in one of the following manners:

a) All costs are borne by the organization that seconds the employee;

b) All costs are borne by the Corporation;

c) All costs are borne by the organization that seconds the employee up to that employee's normal salary level with any excess costs being borne by the Corporation.

iii) Truck and trailer units used for the Future Caravan were loaned at no cost from the Province of Alberta to the Province of Saskatchewan. The Corporation was responsible for all operating costs including licenses, insurance and the like.

2. *Due from Saskatchewan Science Centre Inc.*

During 1990, the Corporation loaned the Saskatchewan Science Centre Inc. $500,000 on an unsecured and non-interest bearing basis to March 31, 1990. Since the loan was not repaid by the due date of March 31, 1990, the Corporation began to charge interest at 12% per annum on the unpaid balance commencing April 1, 1990. The loan and related interest of $40,000 was repaid in December, 1990.

3. *Fixed Assets*

	1991	1990
Office equipment	$ -	255
Office furniture	-	65,393
Leasehold improvements	-	151,590
Equity in equipment, furniture and leasehold improvements	$ -	217,238

The Corporation's fixed assets were disposed of as follows:

* Office equipment was among the assets transferred to the Consolidated Fund of Saskatchewan on the wind-up of the Corporation.

* Office furniture was sold for proceeds of $31,197 and is reflected as a component of revenue.

* Leasehold improvements were written off on the wind-up of the Corporation as the related leases expired at that time.

* During the life of the Corporation, a variety of computer hardware, software, support and training was provided by Westbridge Computer Corporation under contract for a fixed fee of $100,000. Upon the wind-up of The Future Corporation, this computer hardware and software reverted back to Westbridge in accordance with their contractual agreement.

* The equity in equipment, furniture and leasehold improvements was offset against the above fixed assets on wind-up of the Corporation.

4. *Termination of Operations*

The Corporation was established as a limited life Crown Corporation pursuant to The Crown Corporations Act, 1978 by Order-In-Council on October 11, 1988. Essentially all active operations ceased on December 31, 1990, however the Corporation was officially wound-up by Order-In-Council effective March 31, 1991 at which time all assets and liabilities were transferred to and assumed by the Consolidated Fund of Saskatchewan. A summary of such assets and liabilities transferred are as follows:

Due from Consolidated Fund itself	$ 199,825
Recovery of excess project grants	41,360
Interest receivable on funds held by Consolidated Fund	217,319
Outstanding 90/91 appropriation due from Culture, Multiculturalism and Recreation	8,100
Expense recovery	8
Office equipment	255
Accounts payable	(4,380)
Net assets transferred	$ 462,487

The related equity transferred to the Consolidated Fund of Saskatchewan consisted of:

Equity in fixed assets	$ 255
Operating surplus	462,232
	$ 462,487

5. *Special Support From Saskatchewan Economic Diversification and Trade*

During the year, Saskatchewan Economic Diversification and Trade elected to support a portion of the operating costs of the Future Caravan. As a result, $300,000 of Caravan related expenditures were removed by journal entry, from the records of The Future Corporation, and reflected in the records of Saskatchewan Economic Diversification and Trade.

THE FUTURE CORPORATION

Statement of Program Expenditures

Schedule

Year ended March 31, 1991

	Touring Exposition	Innovative Grants	Strategic Initiatives	Arts and Culture Grants	Education Initiatives	1991 Total	1990 Total
Advertising	$ (19,219)	-	-	-	-	(19,219)	244,063
Clothing and materials	-	-	-	-	-	-	3,189
Computer supplies	-	-	-	-	2,290	2,290	-
Conference registration	-	-	-	-	-	-	1,594
Couriers and express	-	-	-	-	232	232	1,899
Educational binder	-	-	-	-	-	-	73,809
Grants	-	1,080,520	828,994	254,011	-	2,163,525	2,478,246
Honorariums	-	-	-	-	1,700	1,700	18,470
Insurance	1,126	-	-	-	-	1,126	867
Office supplies	748	-	-	-	2,024	2,772	8,447
Rent - building	-	-	-	-	-	-	1,250
- vehicle	472	-	-	-	-	472	108
- other	-	-	-	-	301	301	189
Relocation of employees	2,854	-	-	-	-	2,854	-
Telephone	-	-	-	-	-	-	53
Travel	76,472	-	-	-	1,761	78,233	57,984
Vehicle expenses	30,147	-	-	-	-	30,147	184,016
Wages and benefits	13,241	-	-	-	54,031	67,272	163,551
Total program expenditures	$ 105,841	1,080,520	828,994	254,011	62,339	2,331,705	3,237,735

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